



# 2000 ANNUAL REPORT

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## Michigan Bureau of Workers' Disability Compensation

Department of Consumer &  
Industry Services



*"Serving Michigan...Serving You"*

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**John Engler, Governor**

*State of Michigan*

Kathleen M. Wilbur, Director

*Department of Consumer & Industry Services*

Craig R. Petersen, Director

*Bureau of Workers=Disability Compensation*

Jürgen Skoppek, Chairperson

*Workers=Compensation Appellate Commission*

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## Overview

Before 1912, a worker who was injured in the course of his or her employment could sue his or her employer in a civil or tort action, which was the same remedy available to a person injured under other circumstances. The tort remedy, however, had certain problems. It required the worker to prove that the injury occurred because the employer was negligent and the employer had three important defenses: (1) that the worker was also negligent, (2) that the worker knew of the dangers involved and assumed the risk, or (3) that the injury occurred because of the negligence of a fellow employee. Under this system it was very difficult for workers to recover against their employers. If they did win, however, they could receive virtually whatever damages a jury wanted to give them.

In 1912 Michigan, along with most other states, adopted a Workmen's Compensation Act. The new remedy is essentially a no-fault system under which a worker no longer has to prove negligence on the part of the employer, and the employer's three defenses were eliminated. The intent of the new law is to require an employer to compensate a worker for any injury suffered on the job, regardless of the existence of any fault or whose it might be.

In return for this almost automatic liability, the Act limited the amount that a worker could recover. Workers are now entitled only to (1) certain wage loss benefits, (2) the cost of medical treatment, and (3) certain rehabilitation services. Recovery under workers' compensation is limited to these three areas, no matter how serious the injury.

Nearly all employers in Michigan are covered by workers' compensation. This includes both public and private employers. In fact, when talking about workers' compensation, it is easier to discuss the exceptions. There are a few classes of workers who are covered by federal laws and are not covered by the Workers' Disability Compensation Act of Michigan. Employees of the federal government (such as postal workers, employees at a veterans administration hospital, or members of the armed forces) are covered by federal laws. People who work on interstate railroads are covered by the Federal Employers Liability Act. Seamen on navigable waters are covered by the Merchant Marine Act of 1920, and people loading and unloading vessels are covered by the Longshoremen's and Harbor Workers' Compensation Act. Virtually all other workers and employers are subject to Michigan's law.

Certain very small employers are exempt. If a private employer has three or more employees at any one time, or employs one or more workers for 35 or more hours per week for 13 or more weeks, the employer is subject to the Workers' Disability Compensation Act (Section 115).

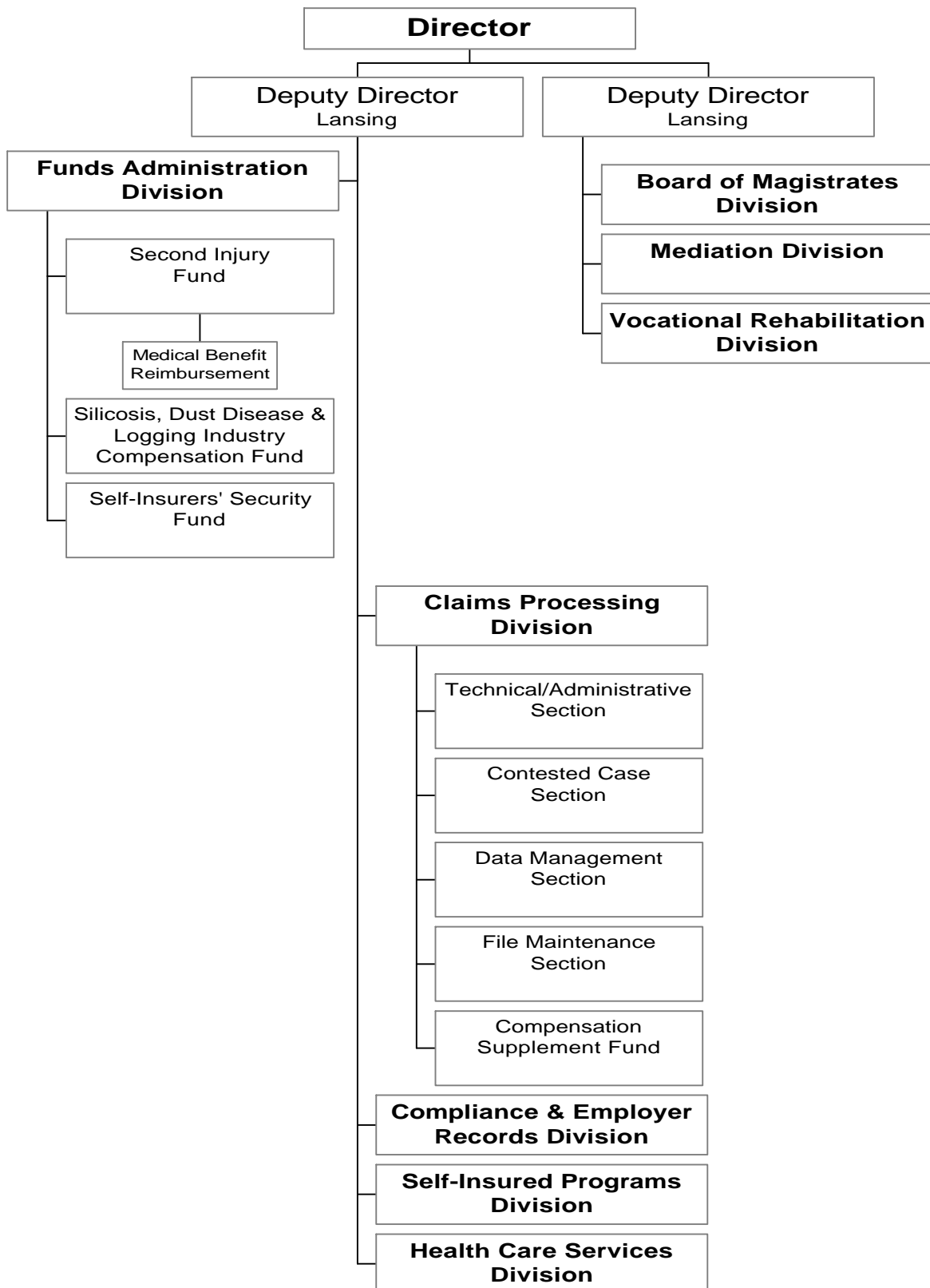
## ***2000 Highlights***

- , Craig Petersen was appointed director of the bureau on February 1, 2000.
- , Website continually updated. New items include interactive forms, Spanish version of redemption forms, Franges worksheet, calculation program, and an interactive web site that allows you to look up current insurance coverage for employers.
- , A report evaluating the vocational rehabilitation of injured Michigan workers with findings and recommendations by the Task Force on Vocational Rehabilitation in Workers' Compensation.
- , Reduction in cases more than 12 months old from 3,761 in December 1999 to 3,512 in December 2000.
- , Lost-time claims over seven days increased from 51,459 in December 1999 to 54,201 in December 2000.
- , Bureau's pending caseload decreased from 19,704 in December 1999 to 19,415 in December 2000.
- , The Bureau of Workers' Disability Compensation web site designated as #1 site in the country.
- , Reorganization of the Health Care Services Rules became effective on May 11, 2000, which allows for information to be found in a logical and systematic sequence.

## ***What to look for in 2001***

- , New hearing site locations for the bureau's Flint, Mount Clemens, and St. Joseph locations.
- , E-mail list being developed to allow bureau to automatically notify users of various updates as they occur.
- , Development of electronic data interchange (EDI) that will allow insurance carriers to transmit insurance coverage information to the bureau electronically.
- , Expansion of calculation program to include calculation of partial benefits and third party offsets.
- , Detroit office scheduled to move from Executive Plaza to Cadillac Place Building (formerly General Motors Building) in late 2001.
- , An overview booklet of common questions and answers to Health Care Services Rules regarding coverage and reimbursement policies will become available by May 1, 2001.

# Organizational Chart



## ***How to Contact Us***

### ***The bureau is located at:***

Michigan Dept. of Consumer & Industry Services  
Bureau of Workers=Disability Compensation  
7150 Harris Drive  
P.O. Box 30016  
Lansing, Michigan 48909

***Website address:*** [www.cis.state.mi.us/wkrcomp](http://www.cis.state.mi.us/wkrcomp)

### ***Division phone numbers:***

General Information	(517) 241-4537 1-888-396-5041	Local
Director's Office/Administration Craig R. Petersen, Director	(517) 322-1296	
Deputy Director's Office/Administration Bruno Czyrka, Deputy Director	(517) 322-1106	
Board of Magistrates Division Cary ARick@Grattan, Chairperson	(517) 241-9380	
Claims Processing Division Connie Carroll, Administrator	(517) 322-1438	
Compliance & Employer Records Division Cheryl Cornellier, Administrator	(517) 322-1195	
Funds Administration Division Dennis S. Morrill, Funds Administrator	(517) 241-8999	
Health Care Services Division Saundra Ford, Administrator	(517) 322-5433	
Mediation Division Craig R. Petersen, Director	(517) 322-1296	
Self-Insured Programs Division Dennis Stinson, Administrator	(517) 322-1868	
Vocational Rehabilitation Division Douglas Langham, Administrator	(517) 322-1866	
Workers=Compensation Appellate Commission Jürgen Skoppek, Chairperson	(517) 334-9719	



## *Office Locations*

LOCATION	ADDRESS	MAGISTRATE	MEDIATOR
<b>Ann Arbor</b>	2117 W. Stadium, 48103	(734) 665-9616	(734) 665-9616
<b>Detroit</b>	State of MI Plaza Building 1200 Sixth Street, 12 <sup>th</sup> Floor, 48226	(313) 256-2770	(313) 256-2770
<b>Escanaba</b>	State Office Building 305 Ludington, 49829	(906) 786-2081	(906) 786-2081
<b>Flint</b>	Bristol West Center G-1388 W. Bristol Rd., 48507	(810) 760-2618	(810) 760-2618
<b>Grand Rapids</b>	2942 Fuller Street NE, 49505	(616) 447-2680	(616) 447-2670
<b>Kalamazoo</b>	940 N. 10 <sup>th</sup> Street, 49009	(616) 544-4440	(616) 544-4440
<b>Lansing</b>	2501 Woodlake Circle, Okemos P.O. Box 30016, 48909	(517) 241-9380	(517) 241-9393
<b>Mt. Clemens</b>	10 <sup>th</sup> Floor, Old County Building 10 N. Main, 48043	(810) 463-6577	(810) 463-6577
<b>Pontiac</b>	28 N. Saginaw, NBD Building Suite 1310, 48342	(248) 334-2497	(248) 334-2497
<b>Saginaw</b>	State Office Building 411-K E. Genesee, 48607	(517) 758-1768	(517) 758-1768
<b>Traverse City</b>	Grand View Plaza, 3 <sup>rd</sup> Floor 10850 Traverse City Hwy., 49684	(231) 922-5430	(906) 786-2081 *Escanaba

## *Administration*

The mission of the Bureau of Workers=Disability Compensation is to administer the Workers=Disability Compensation Act of 1969, as amended, in order to facilitate timely benefit payments to injured employees at a reasonable cost to employers. To this end we dedicate ourselves to carry out this responsibility and to serve the public promptly, courteously, and impartially.

### Goals:

- , Ensure that employees that have suffered a work-related injury are provided correct wage loss replacement, medical and vocational rehabilitation services during periods of incapacity, and that these benefits are paid timely and accurately.
- , Provide leadership to carry out a legislative agenda for more efficient regulation and delivery of workers=compensation benefits.
- , Provide an informal dispute resolution process for employers, insurance carriers, and injured employees through mediation.
- , Monitor medical providers=compliance with health care rules to ensure that costs of providing health care services remain reasonable.
- , Monitor the financial position of all individual and group self-insureds to ensure their ability to meet future payment of benefits on a timely basis.
- , Maintain a historical record system for the more than 200,000 employers subject to the Workers=Disability Compensation Act.
- , Monitor and enforce employers=compliance with the requirements for insurance coverage.

On February 1, 2000, Governor John Engler appointed Craig R. Petersen director of the bureau. Crary "Rick" Grattan was appointed chair of the Board of Magistrates on April 1, 2000.

There are several ongoing projects that not only cross divisions to affect the entire bureau but will positively impact the bureau's ability to provide information in a timely manner. Michigan is planning to implement Electronic Data Interchange (EDI) in the claims and compliance areas. This process will allow carriers, self-insureds and third party administrators (TPAs) to file their forms electronically. We hope to begin programming in late 2000. This project is in conjunction with the International Association of Industrial Accident Boards and Commissions (IAIABC).

The Bureau of Workers=Disability Compensation is also pleased about the development of our Internet web site. The site has been designated as the #1 workers' compensation web site in the country and is continually updated to make it more comprehensive and user-friendly. This site contains a variety of information about the bureau, the Board of Magistrates and the Workers=Compensation Appellate Commission. The address is [www.cis.state.mi.us/wkrcomp](http://www.cis.state.mi.us/wkrcomp).

## *Claims Processing Division*

The Claims Processing Division maintains a current and historical claims/case records system. Its objective is to ensure that employees that have suffered work related injuries are provided correct wage loss replacement and that both voluntary claims and litigated cases are processed in a timely manner.

The Claims Processing Division performs a wide variety of functions as it relates to workers' compensation claims. The program is broken down into four major sections:

- , *File Maintenance.* The File Maintenance Section staff prepares bureau mail for filming and date stamping. This preparation includes opening, sorting, screening, and matching bureau forms and correspondence. This section is also responsible for housing and maintaining workers' compensation cases that are in open paying status or awaiting bureau forms which will determine the file location. Once the cases close staff prepare files for Records Center.
- , *Data Management.* The Data Management Section staff is responsible for keying claim forms and related material data onto the bureau's automated system, WORCS. Although WORCS audits the majority of all claims forms, there are some claims that have to be manually audited.
- , *Contested Case.* The Contested Case Section staff processes applications for mediation or hearing by creating paper case files, scheduling parties for the initial mediation hearing or pretrial, mailing orders and memorandum issued by magistrates and mediators, handling all mail related to litigated cases, and keying data from orders on WORCS.
- , *Technical Administrative.* Activities of all sections are coordinated through the Technical Administrative Section. Other activities performed by the Technical Administrative Section staff include establishing policies/procedures, finalizing personnel transactions, maintaining/updating the bureau's retention/disposal schedule, approving carrier and self-insured's customized versions of bureau forms, overseeing the automated system, providing technical support to personal computer users, coordinating personal computer and other equipment acquisitions, preparing form/supply orders for bureau staff and the workers' compensation community, and microfilming bureau mail.

In 2000, the division processed 402,499 forms and correspondence relating to claim/case records. As a result, there were 69,046 Employer's Basic Report of Injury forms filed and 20,086 new contested cases established. The division was able to retire 34,416 claims/cases.

The Compensation Supplement Fund is a program administered within the Claims Processing Division of the bureau. The Compensation Supplement Fund provides supplemental benefits to employees whose weekly compensation benefits were based on personal injury dates between September 1, 1965 and December 31, 1979 as mandated in Sections 418.352 and 418.391 of the Workers' Disability Compensation Act. The amount of the supplement, which is paid in addition to the basic weekly compensation rate, is determined by the percentage change in the state average weekly wage from the year the employee was injured to 1981 (inflation factors can be found on page 21). In 2000, 4,452 claims received reimbursement or a tax credit under the provisions of this fund. From January 1, 2000 through December 31, 2000, the Compensation Supplement Fund disbursed \$1,205,768 in payments and provided \$7,337,023 in Single Business Tax Credits. This section is also responsible for collecting and auditing redemption fees.

## ***Mediation Division***

The Mediation Division came into being as a result of Public Act 103 of 1985, which required the mediation of certain cases filed in the contested claims process. The purpose of the Mediation Division is to resolve cases between employers and employees in an informal setting. Intervention of a mediator in a claim before it becomes a formal dispute could resolve claims short of costly litigation. These individuals are available to answer questions and try to assist workers, employers, insurance carriers, and health care providers in resolving problems without the necessity of going through the formal litigation process. The Mediation Division has nine field offices established throughout the state, and mediators work closely with the Board of Magistrates in resolving claims at the same hearing site locations around the state.

Mediation is a negotiation process where the parties and representatives involved in a dispute sit down together in private, with a neutral person (a mediator) and allow the mediator to assist them in working out a solution to their claim. During the mediation, all parties involved in the dispute explain the problem situation as they see it and provide input for how they think the matter can be resolved. The mediator aids the parties to develop a realistic workable solution to the dispute.

It is the role of the mediator to assist employees, employers, carriers, health care providers, attorneys, and other parties involved in the workers' compensation system in understanding the general process and to advise employees and employers so that they understand their respective rights and obligations. It is also the responsibility of the mediator to advise employees as to the benefits provided in the Workers' Disability Compensation Act and the procedures used by carriers in providing such benefits, and advise employees of what actions they may take if there are disputes. If the matter is not resolved at the mediation hearing, it will be assigned to a magistrate for a formal hearing.

Hearings held by mediators:

- , *Statutory Mediation.* Section 223 of the statute provides for mandatory mediation in specific cases being disputed. They are: all applications for hearing filed by an injured employee without an attorney, all medical only disputes, all closed periods of disability being alleged and any other disputes that the bureau feels would be assisted by mediation. In 1999 the bureau held 8,432 formal mediation hearings and resolved 52%.

- , *Non-statutory Mediation.* No application for mediation or hearing is filed. The parties call or write and the mediator schedules conferences by telephone or the parties attend scheduled conferences before the mediator. Any workers' compensation problem can be scheduled for a non-statutory mediation conference. In 1999 the bureau held 194 informal mediation hearings and resolved 85%.
- , *Vocational Rehabilitation Director Hearings.* Disputes concerning vocational rehabilitation are referred first to mediators as the director's representative. The goal of the mediator in a vocational rehabilitation hearing is to attempt to facilitate a voluntary agreement between the parties as to the most appropriate course of vocational rehabilitation for the injured worker. The mediator will do everything within their power to bring the parties to an agreement about the best course of rehabilitation for the worker and will then issue an order. In 2000, 554 applications for hearing on vocational rehabilitation issues were set before the mediators. Mediators wrote orders or memorandums on 319 vocational rehabilitation cases and resolved 157 to magistrates for redemption.
- , *Health Care Mediation.* In addition, mediators heard 5,022 cases involving health care services rules in 2000 and resolved 97%. A medical care provider may file an Application for Mediation or Hearing – Form B if they have provided medical care and treatment to an injured worker and have not received payment.

## ***Vocational Rehabilitation Division***

The Vocational Rehabilitation Division is responsible for ensuring that employers provide rehabilitation services according to the provisions of the Act and that the injured employees accept such services. The division provides information and assistance to all parties, approves rehabilitation facilities, monitors ongoing rehabilitation programs, and conducts periodic training seminars.

Research on vocational rehabilitation has demonstrated several important findings:

- , Intervention time is critical. The chances of success for vocational rehabilitation increase dramatically if the process begins early;
- , The most successful course for vocational rehabilitation is a return to work with the same employer; and
- , The costs of vocational rehabilitation are relatively small when compared with the costs of disability benefits that are saved when the employee returns to work.

Employers who invest in rehabilitation and disability management programs have found that they can help their employees while saving money at the same time. The injured workers are able to return to work and earn a wage. The employers are able to reduce their compensable loss exposure, improve employee relations, and increase productivity. In 2000, a total of 3,664 injured workers were assisted back to work with rehabilitation.

In 2000 the Task Force on Vocational Rehabilitation in Workers' Compensation was established to review and evaluate various issues concerning vocational rehabilitation of Michigan's injured workers and make recommendations on what can be done to improve the functioning of vocational rehabilitation in the current workers' compensation system. The 12 member committee was chaired by Douglas Langham. A report of the committee's findings was issued early in 2001.

## *Compliance and Employer Records Division*

The Compliance and Employer Records Division works to ensure that all employers subject to the Michigan Workers=Disability Compensation Act have complied with the requirements by securing workers=compensation coverage either through a policy of insurance or through approved self-insured authority.

The division maintains the current and historical record system for over 200,000 employers. This includes coverage records on self-insurers, employers with insurance, and employers who have excluded themselves from the Act. In addition, this division has the responsibility to enforce employers=compliance with insurance requirements of the statute.

The major objectives of this program are:

- , To keep an accurate insurance coverage record;
- , To identify the responsible insurance carriers for employers listed on applications for mediation or hearing; and
- , To communicate with those employers who fail to maintain insurance coverage, using the civil process to enforce such compliance if the employer fails to comply even after being advised of the requirements of the statute by division staff.

Since 1983, workers=compensation insurance premiums in Michigan have been set in the marketplace. This means that different insurance companies charge different premiums. Research done by the Insurance Commissioner suggests that some employers should Ashop around@for the best deal on insurance. All workers=compensation insurance policies provide the same coverage. However, some cost more than others and some companies provide more services than others. Employers should shop for the best price and the most service from their workers=compensation insurance company.



## ***Self-Insured Programs Division***

The Workers' Disability Compensation Act permits employers to request authority to self-insure and assume responsibility for direct payment of benefits to injured workers. The Act also permits providers of claims adjusting, underwriting and loss control services to apply and be approved by the bureau to provide these services to approved self-insurers.

Two types of self-insured authority are permitted in the Act. Individual employers may be approved as self-insured or, two or more employers in the same industry can apply for group self-insured authority. Statutory requirements, administrative rules and bureau policy require annual renewal applications and various monitoring and approval tasks throughout the year.

The Self-Insured Programs Division conducts initial regulatory reviews on employer-generated self-insured applications and in the formation of group self-insured programs; provides guidance through the approval or formation and review process; and issues decisions that detail the required security and exposure limiting devices based on statutory authority and the bureau's established policy. Initial and annual regulatory reviews are also conducted on service company applications. The staff works to resolve all issues and disputes generated by self-insured employers by telephone or informal meetings and as a last resort through the formal hearing process. The division also provides information to the public relevant to self-insured concepts and notifies self-insured employers and other interested parties of changes in statute, administrative rules, and departmental policy.

This division is also the final approval authority in surplus dividend and accumulated assets returned to the group membership. This process requires the review and assessment of financial statements, actuarial reports and independent claims and audit reports. Surplus return authorizations range between \$35,000,000 and \$90,000,000 annually.

## *Health Care Services Division*

The Health Care Services Division performs a wide variety of functions mandated in section 418.315 of the Workers' Disability Compensation Act of 1969, as amended. The responsibilities called for in the Act can be categorized as follows: (1) Rule Development, Review and Revision, (2) Evaluation, and (3) Information and Education. A brief summary that delineates the responsibilities of each category is below:

- , *Rule Development, Review and Revision.* The Act and the Workers' Compensation Health Care Services Rules identify policies for coverage and reimbursement to health care providers. Health care trends and policies are researched and developed by staff and Health Care Services (HCS) Advisory Committee members in accordance with nationally recognized standards of practice and reimbursement methodologies. Annual reviews of the Workers' Compensation Health Care Services Rules are conducted with the HCS Advisory Committee. Draft materials for information and action for rule revision are prepared by staff for the HCS Advisory Committee and Task Forces. Public hearings are held relative to proposed rule changes.
- , *Evaluation.* The evaluation process consists of compiling carrier data and analyzing charges, payments, health care procedures and medical diagnosis. The results of the data analysis are used to decide reimbursement levels, utilization parameters, and level of care diagnosis. Provider and carrier compliance is also monitored through the case samples and other reports provided by carriers. A carrier's professional review process is certified by staff to assure that appropriate medical review criteria are utilized according to Rule requirements. Carriers must also attest that professional review staff are licensed and certified as required by Workers' Compensation Health Care Services Rules.
- , *Information and Education.* Staff responds to numerous telephone and written inquiries for information and clarification of the rules, assists in resolving differences between a carrier and a provider, meets with provider, carrier and employee organizations, professional review companies, attorneys, mediators, magistrates and legislators. Staff also provides educational seminars for providers, carriers and professional review agencies regarding the application of the rules, billing procedures, carrier and provider responsibilities and rights outlined in the rules. Staff also participate on panels and programs on workers' compensation health care.

## ***Funds Administration Division***

The Funds Administration Division, consisting of the Second Injury Fund; Silicosis, Dust Disease and Logging Industry Compensation Fund; Self-Insurers=Security Fund; and the Uninsured Employers=Security Fund, is managed by a board of three trustees. Two trustees are appointed by the Governor with the advice and consent of the Senate. One represents employers authorized to act as self-insurers in Michigan and the second represents the insurance industry. The third trustee is the director of the Bureau of Workers=Disability Compensation.

Responsibilities of the Funds Administration are defined within the Workers=Disability Compensation Act. Applicable sections of the Act are Sections 351, 356(1), 361(3), 372, and 862. Applicable chapters of the Act are Chapters 5 and 9.

The Uninsured Employers=Security Fund (UESF) was activated with the passage of Senate Bill 570, Public Act 357, effective July 1, 1996 to handle claims with dates of injury from June 29, 1990 through June 30, 1996. The Fund started with a balance of \$23,293,176.88. A total of 1,869 claims were resolved. Interest and collections from uninsured employers as of June 1, 2000 was \$6,455,138.34. This collection process continues. Payment to injured workers and administrative costs totaled \$5,878,899.84. The Fund balance on the date this provision was repealed June 1, 2000, was \$23,158,603.70.

The Funds Administration handled approximately 5,030 cases during 2000: 1,236 were in litigation; 2,647 were direct payment or reimbursement cases; and 1,147 cases being worked on by staff were not in payment/reimbursement or litigation status. At the close of the calendar year, the Funds Administration had 3,346 open files.

The total expenses for the Funds Administration during 2000 were \$37,226,071. Benefit payments were \$32,369,258, and administrative costs equaled \$4,856,813. Complete fiscal and calendar year accounting may be obtained from the Funds Administration Office.

## ***Board of Magistrates Division***

The Workers=Compensation Board of Magistrates Division is authorized by Section 213 of Public Act 103 of 1985. The Board of Magistrates consists of thirty members that are appointed by the Governor and confirmed by the Senate, and is responsible for hearing contested cases filed after March 31, 1986. Each magistrate must be a licensed attorney in this state, and either pass an exam or have five years of experience in workers=compensation. A magistrate cannot be reappointed after serving a total of 12 years.

Magistrates decide cases at the trial level of the contested process of the workers=compensation system. All resolutions require a formal written order or opinion with findings of fact and conclusions of law. Parties to a decision may stipulate to modify or correct a decision within 30 days. Additionally, the board is responsible for hearing any dispute meeting the requirements for the Small Claims Division established under Section 841 of Public Act 103 of 1985.

Governor John Engler appointed Crary “Rick” Grattan to serve as chairperson of the board. Chairperson Grattan had served as a senior magistrate with the agency since 1991 before being appointed chairperson on April 1, 2000. Governor Engler also appointed Magistrate Melody Paige and Magistrate John Rabaut during 2000.

The Kalamazoo hearing site relocated to a new office complex near the US 131/M-43 interchange. In addition, the bureau started planning for its move to the renovated Cadillac Place Building (formerly the General Motors Building) for our Detroit office. The bureau’s move to this new office location is estimated to be completed during early 2002.

During 2000, the pending caseload of the board increased slightly during the year by 346. This increase was due to the transfer of contested claims from statutory mediation to the board. Overall, the pending caseload before the bureau has reduced by 289 during the year.

It is the board’s continued mission to provide prompt, fair resolution of contested workers' compensation claims filed with the agency and adequately render formal written opinions within 45 days from the close of the record.

## ***Workers=Compensation Appellate Commission***

The Worker's Compensation Appellate Commission (Commission) strives to minimize undue monetary suffering of employees and reduce costs to employers by providing expeditious, impartial and judicial review of contested claims to workers' compensation benefits.

Public Act 103 of 1985, as amended created the Commission as an independent body with the power and authority to review decisions written and issued by the Bureau director (Bureau of Workers' Disability Compensation), and hearing referees/magistrates (Board of Magistrates). The Commission receives its caseload when any of those decisions are disputed in the form of written appeals. The Commission also services Michigan's employees and employers by acting as a buffer to the state Court of Appeals.

The Commission comprises seven attorneys, appointed by the governor to serve 4-year terms (3-term limits). One commissioner is designated as chairperson with general supervisory control over staff and the assignment/scheduling of workloads. Commissioners are required, by law, to review the relevant case record and are expected to publish scholarly and concise opinions that reflect statutory case law. Emphasis has been placed on prompt review of case records and the publishing of dispute-resolving opinions (M.C.L. 418.861[a]) that meet or exceed the legislatively-set performance standards.

The Commission assists consumers by:

- Providing just, prompt and impartial resolution of all contested cases
- Applying strict adherence to statutorily-set filing time lines and requirements
- Continuing to decrease and maintain decreased shelf life of appeals
- Meeting or exceeding annual productivity standards
- Developing its web site to conform with consumer needs and promote on-line interaction

For administrative efficiency, the department has approved 11.0 full time employees, and the Commission employs: a receptionist, an executive secretary, legal secretaries (6), and analysts (2). To enhance research, facilitate case management and help with the transition and orientation of new student law clerks, 2 part-time student assistants are employed. The student law clerks are secured through federal work-study programs.

Commission staff assists commissioners by:

- Facilitating prompt resolution of claims between parties
- Providing top quality and timely customer service
- Efficiently processing assigned caseloads
- Ensuring excellence in the final published product

The Worker's Disability Compensation Act of 1969, as amended (specifically Public Act 317 of 1969; M.C.L. 418.274 and 418.861), provide the Commission its legal authority.

# Statistics & Charts

## *State Average Weekly Wage & Maximum Benefit Amounts from 1982-Present*

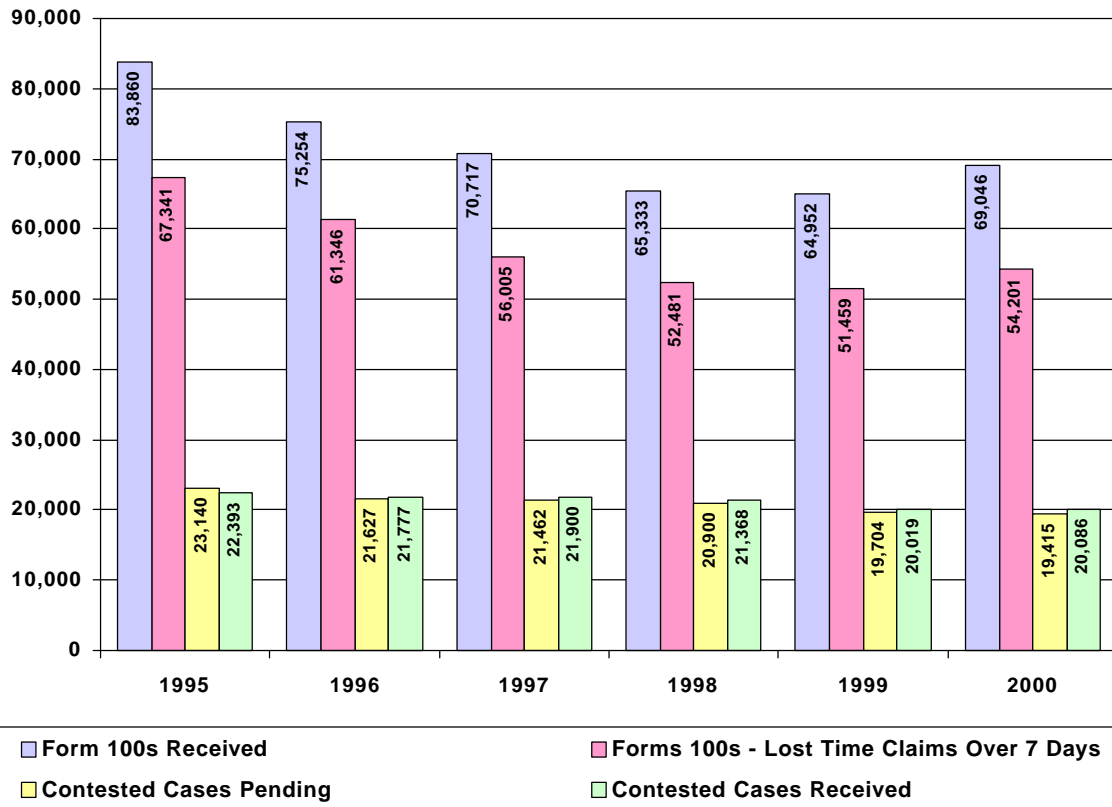
Year	SAWW	90% of SAWW (Maximum)	2/3 of SAWW*	50% of SAWW (Minimum Benefit for Death Cases)	25% of SAWW (Minimum Benefit for Specific Loss and T&P)
2001	\$714.46	\$644.00	\$476.31	\$357.23	\$178.62
2000	\$678.23	\$611.00	\$452.15	\$339.12	\$169.56
1999	\$644.06	\$580.00	\$429.37	\$322.03	\$161.02
1998	\$614.10	\$553.00	\$409.40	\$307.05	\$153.53
1997	\$591.18	\$533.00	\$394.12	\$295.59	\$147.80
1996	\$581.39	\$524.00	\$387.59	\$290.70	\$145.35
1995	\$554.22	\$499.00	\$369.48	\$277.11	\$138.56
1994	\$527.29	\$475.00	\$351.53	\$263.65	\$131.82
1993	\$506.80	\$457.00	\$337.87	\$253.40	\$126.70
1992	\$489.01	\$441.00	\$326.01	\$244.51	\$122.25
1991	\$477.40	\$430.00	\$318.27	\$238.70	\$119.35
1990	\$474.22	\$427.00	\$316.15	\$237.11	\$118.56
1989	\$454.15	\$409.00	\$302.77	\$227.08	\$113.54
1988	\$440.77	\$397.00	\$293.85	\$220.39	\$110.19
1987	\$433.91	\$391.00	\$289.27	\$216.96	\$108.48
1986	\$414.70	\$374.00	\$276.47	\$207.35	\$103.68
1985	\$397.48	\$358.00	\$264.99	\$198.74	\$99.37
1984	\$370.65	\$334.00	\$247.10	\$185.33	\$92.66
1983	\$358.89	\$324.00	\$239.26	\$179.45	\$89.72
1982	\$340.45	\$307.00	\$226.97	\$170.23	\$85.11

- Discontinued fringe benefits may not be used to raise the weekly benefits above this amount. Attorney fees may not be based on a benefit rate higher than this amount.

Compensation Supplement Fund Inflation Factors			
Dates of Injury (Dates Inclusive)	Inflation Factor	Dates of Injury (Dates Inclusive)	Inflation Factor
9/1/65 to 12/31/68	.886	1/1/74 to 12/31/74	.407
1/1/69 to 12/31/69	.796	1/1/75 to 12/31/75	.340
1/1/70 to 12/31/70	.710	1/1/76 to 12/31/76	.276
1/1/71 to 12/31/71	.629	1/1/77 to 12/31/77	.216
1/1/72 to 12/31/72	.551	1/1/78 to 12/31/78	.158
1/1/73 to 12/31/73	.477	1/1/79 to 12/31/79	.103



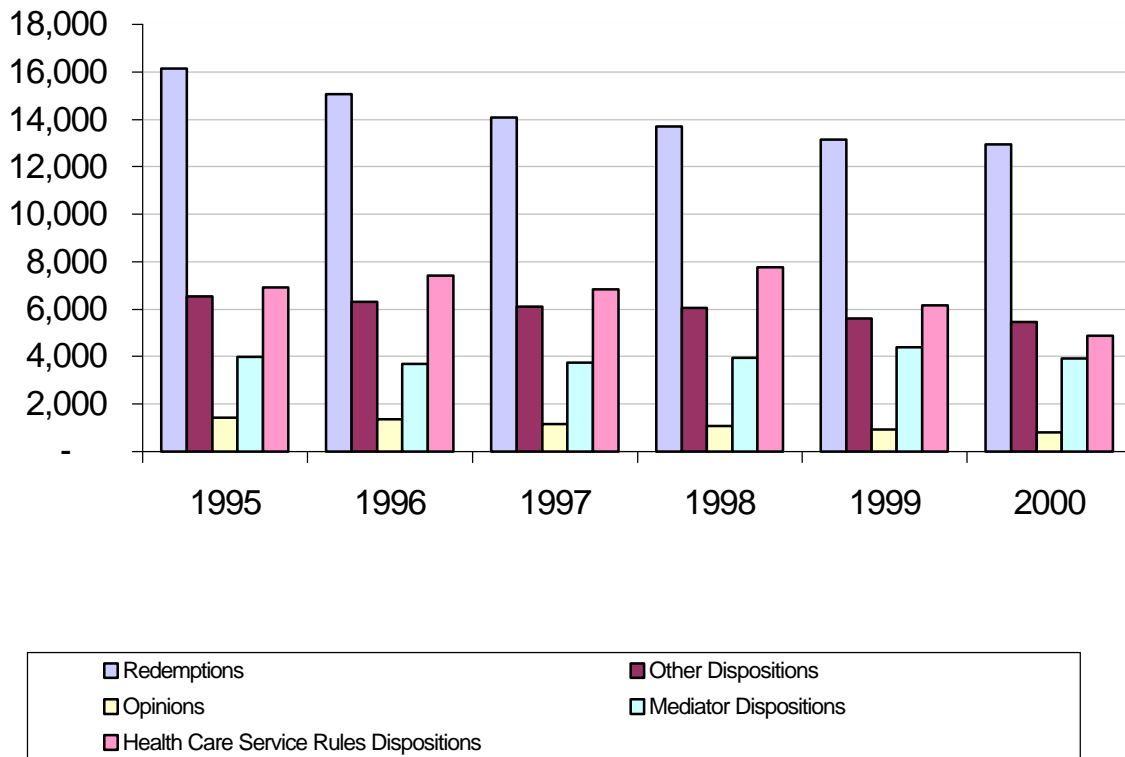
# Claim/Case Trends



## Aged Case Distribution Chart

	1995	1996	1997	1998	1999	2000
0 - 12 Months	14,018	13,152	12,785	12,502	11,831	12,698
13 - 18 Months	2,728	2,677	2,619	2,622	2,406	2,466
19 - 24 Months	1,299	1,155	1,104	958	947	761
Over 24 Months	1,283	778	650	484	408	285
Total Docket Load	19,328	17,762	17,158	16,566	15,592	16,210

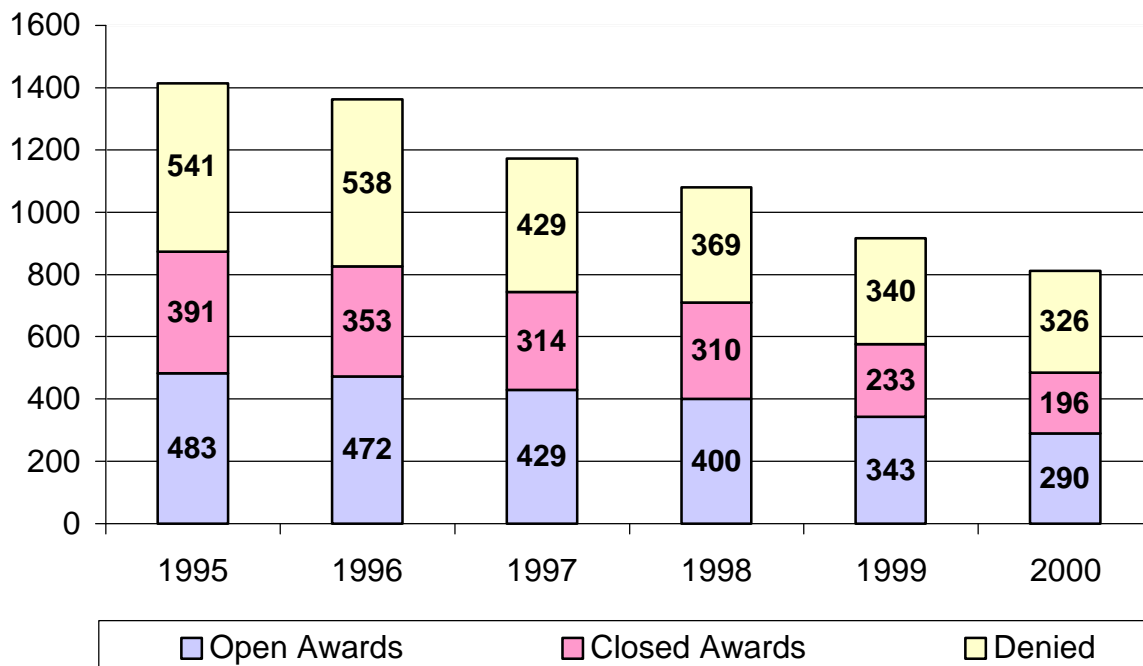
## Contested Case Dispositions



## Contested Case Dispositions

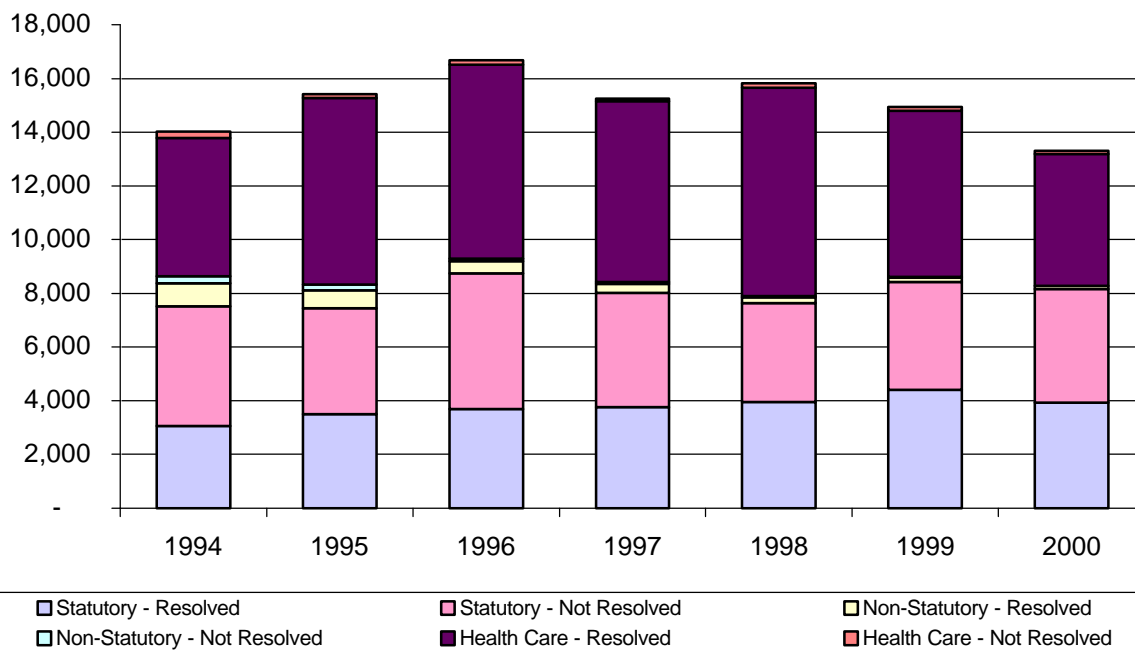
	1995	1996	1997	1998	1999	2000
Redemptions	16,146	15,070	14,085	13,696	13,152	12,928
Other Dispositions	6,552	6,299	6,093	6,043	5,622	5,462
Opinions	1,415	1,363	1,172	1,079	916	812
Mediator Dispositions	3,971	3,686	3,757	3,958	4,402	3,926
Health Care Service Rules Dispositions	6,935	7,405	6,825	7,759	6,156	4,895

# Workers' Compensation Trends

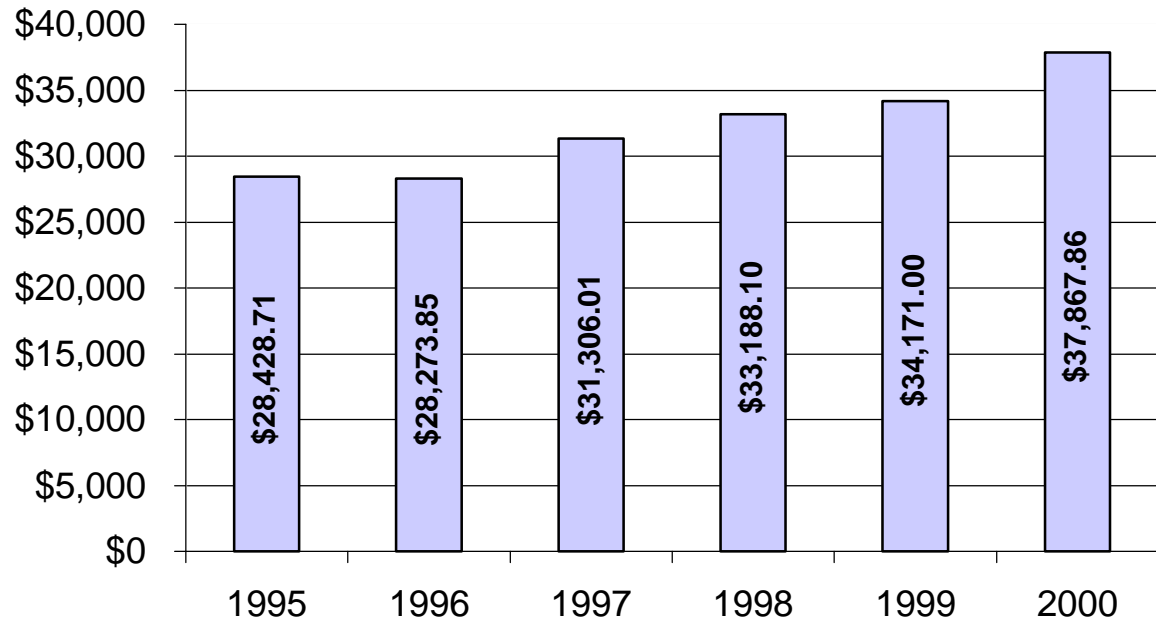


## Mediation

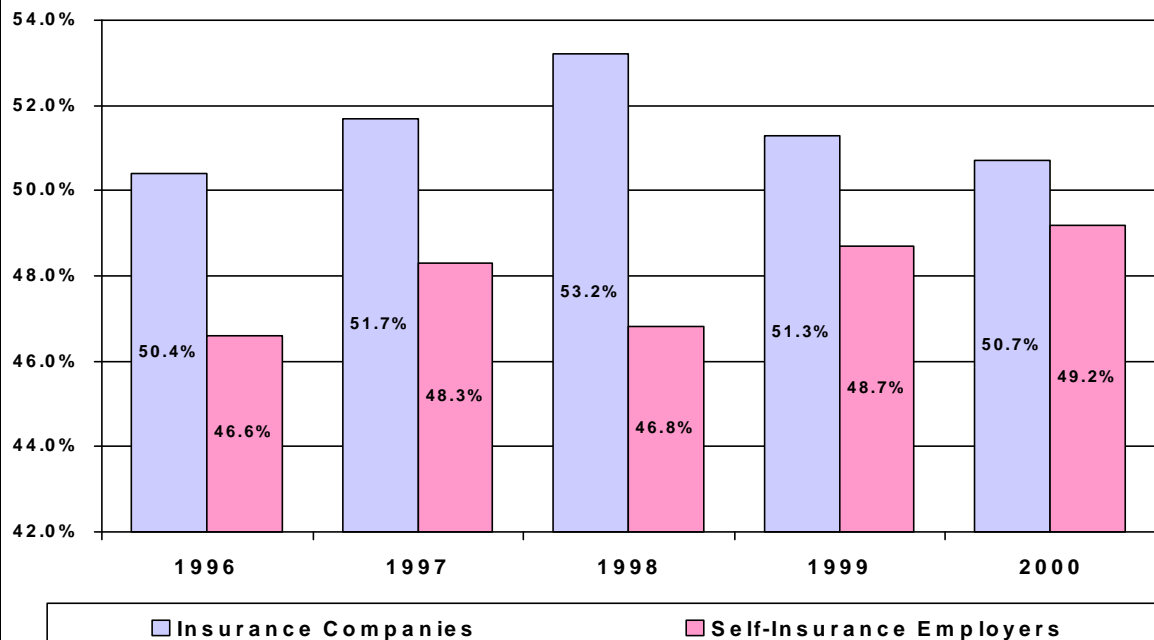
(This chart does not include VR & Magistrate Referral Hearings)



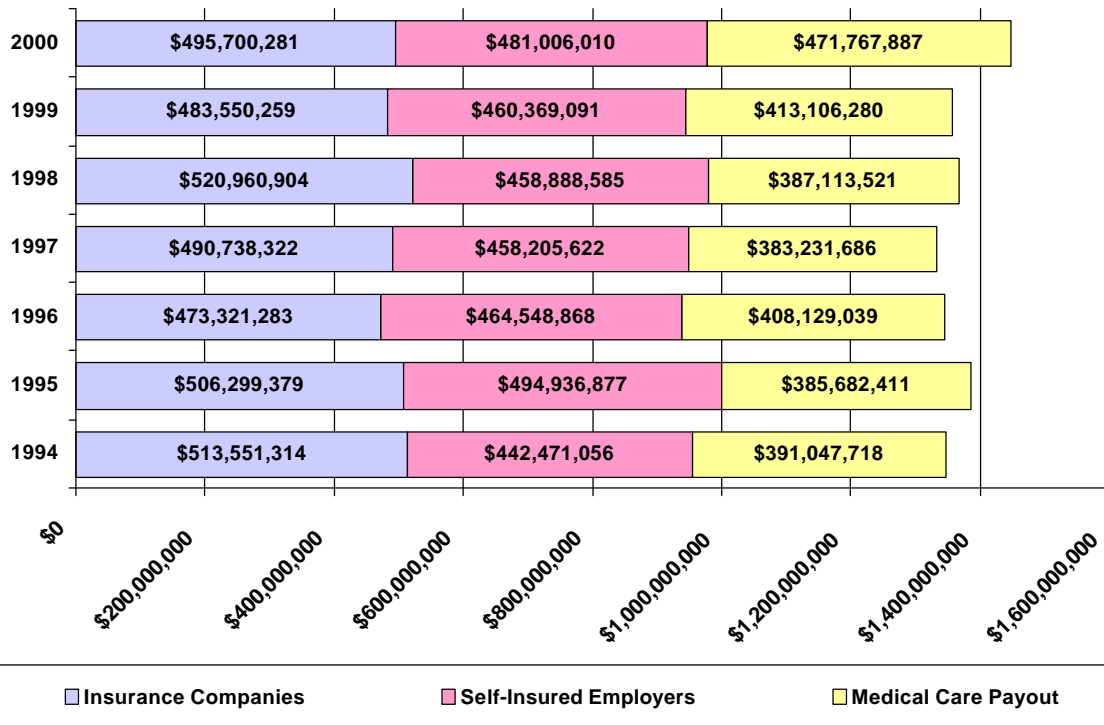
## Average Redemption Amounts



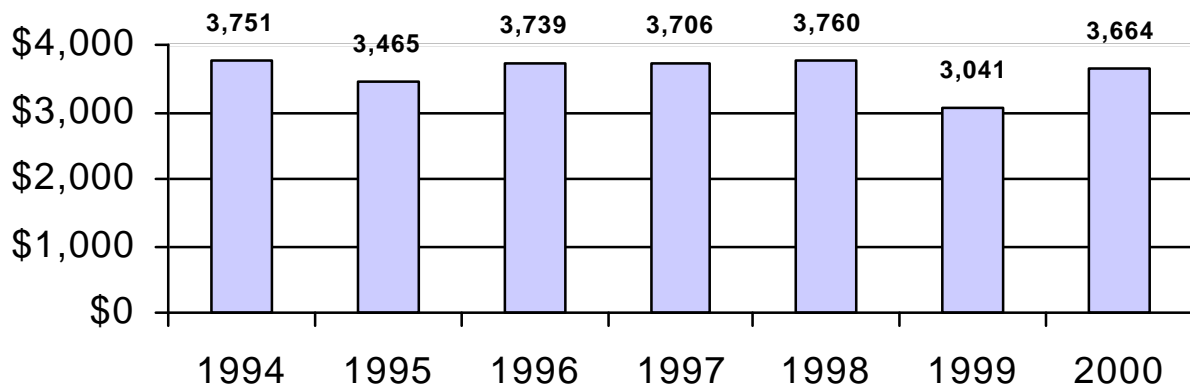
## Indemnity Payments



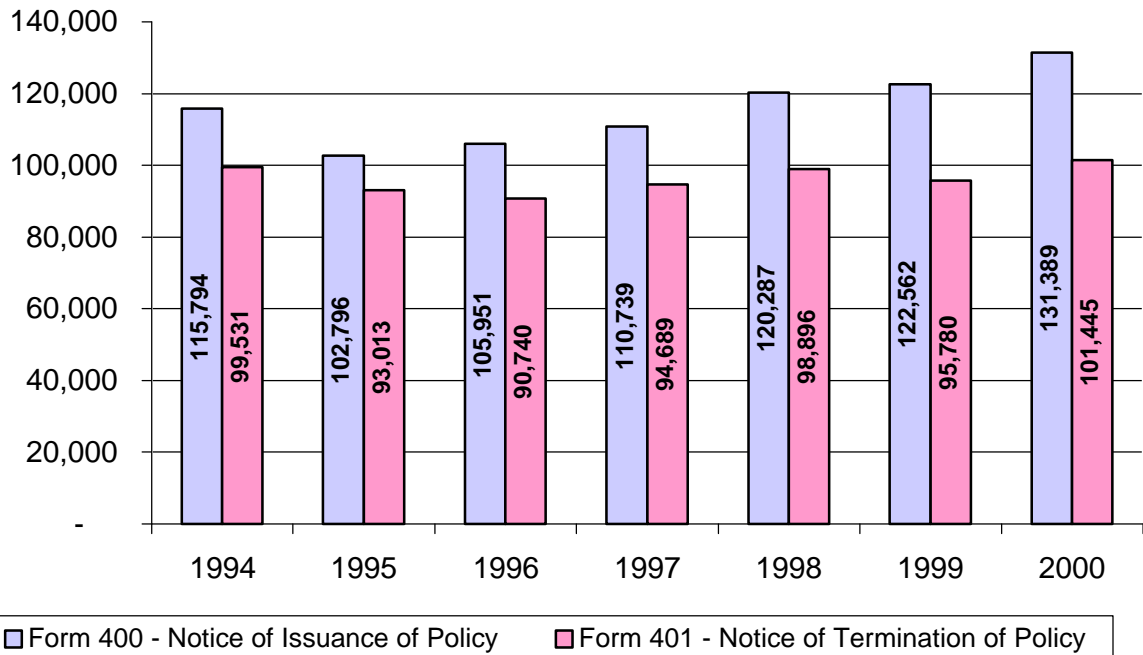
## Payout in Workers' Compensation Benefits and Medical Care



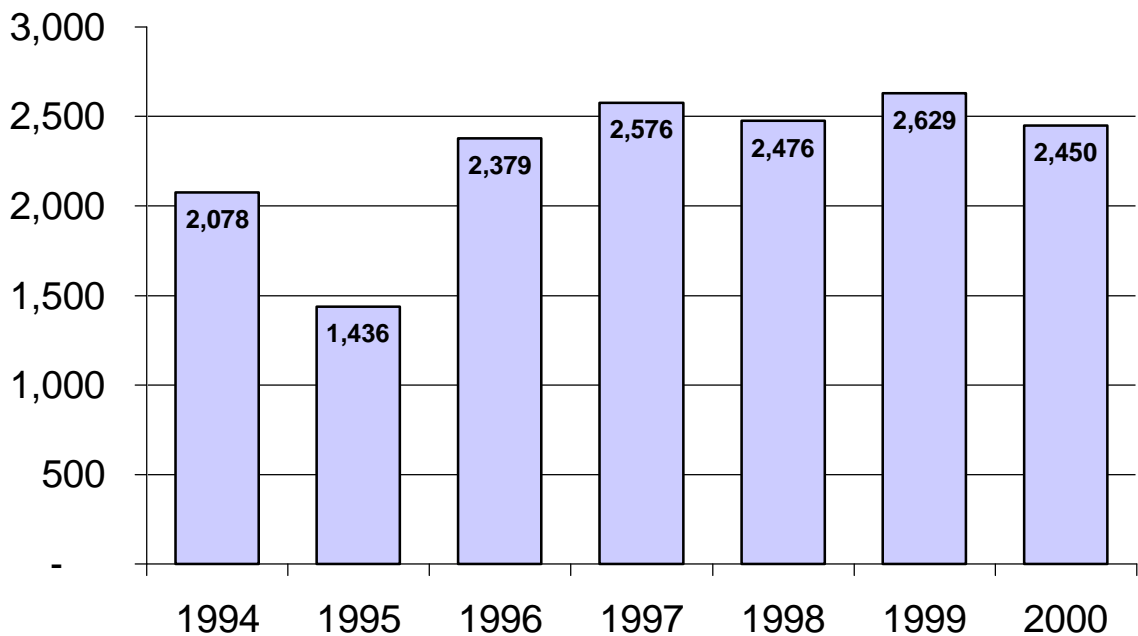
## Vocational Rehabilitation Programs Closed by Return to Work



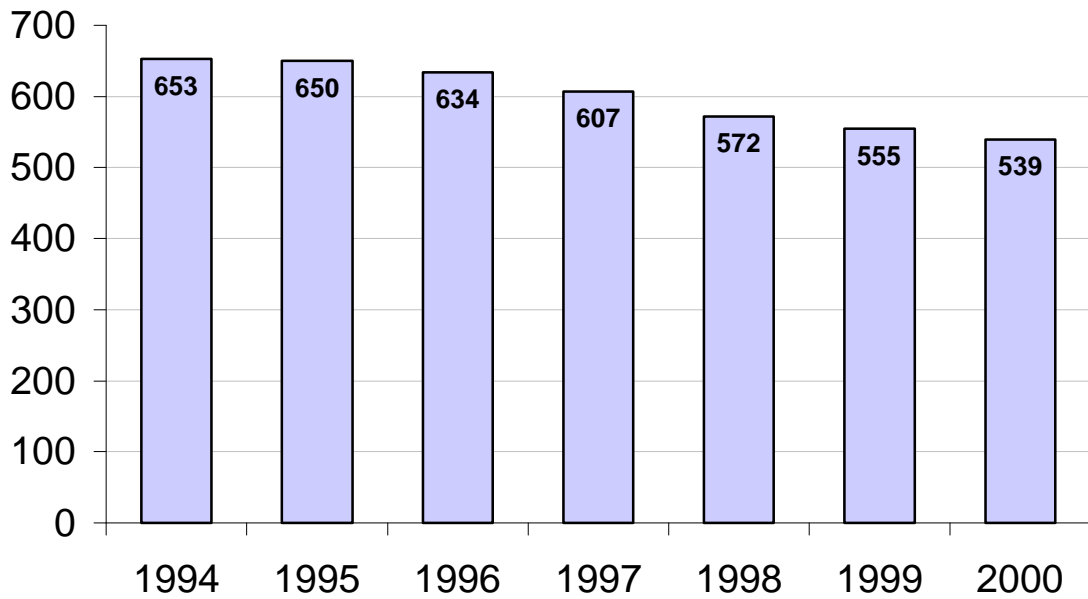
## Forms 400 & 401 Received



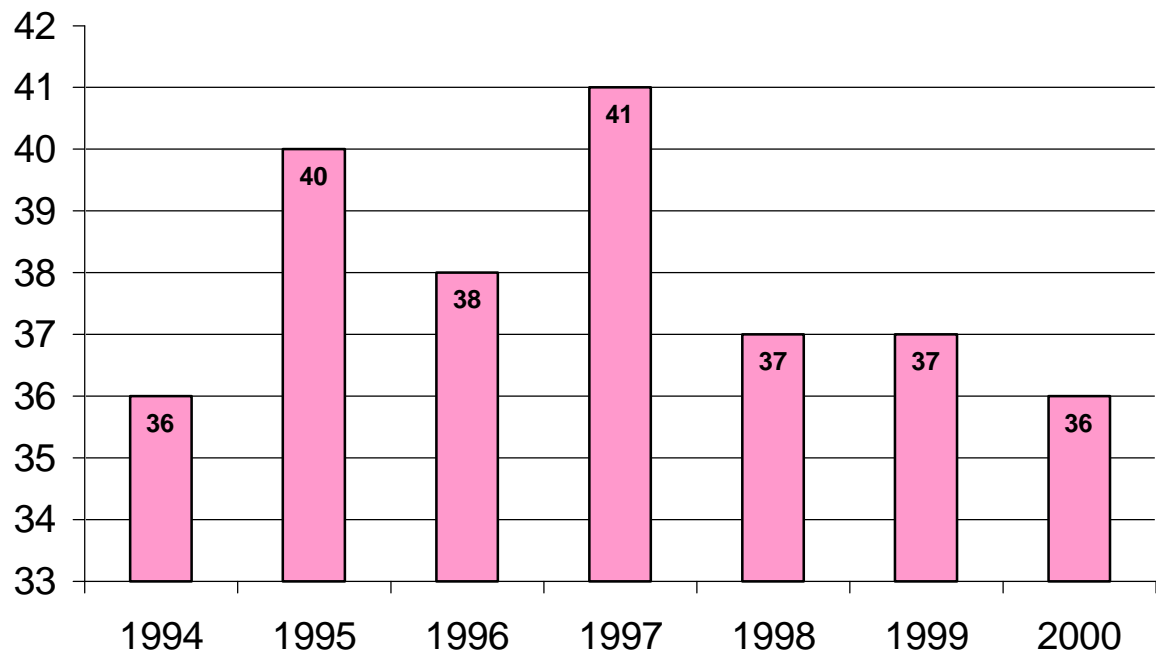
## Exclusion Forms Processed



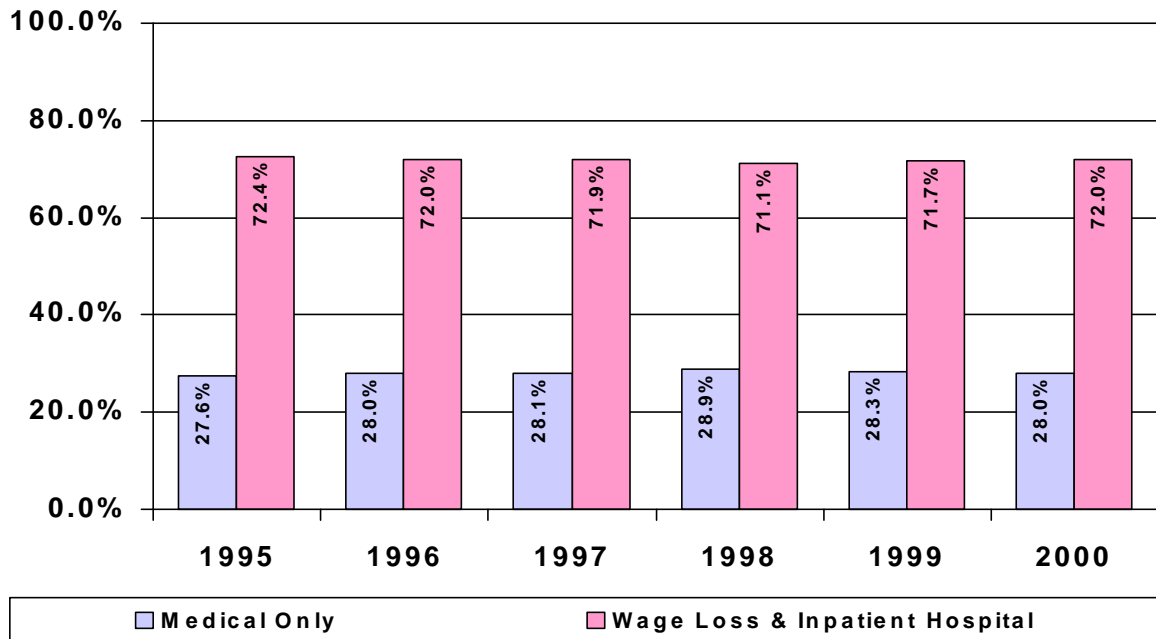
### Number of Approved Individual Self-Insured Employers



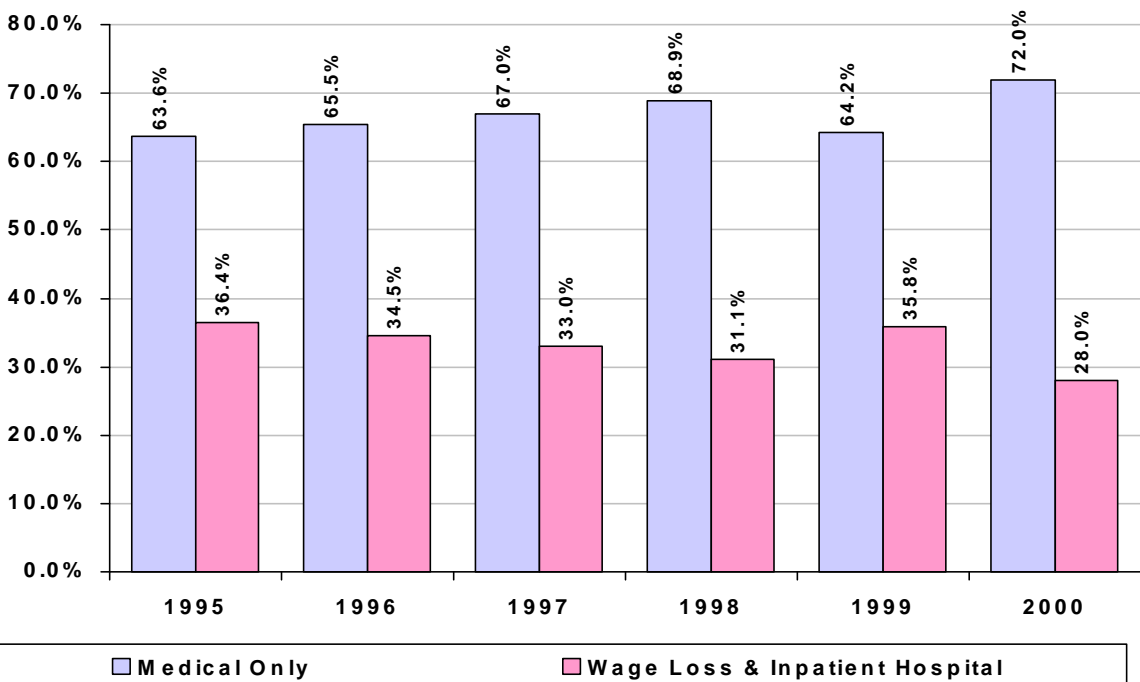
### Number of Approved Self-Insured Groups



## Health Care Costs Amount Paid



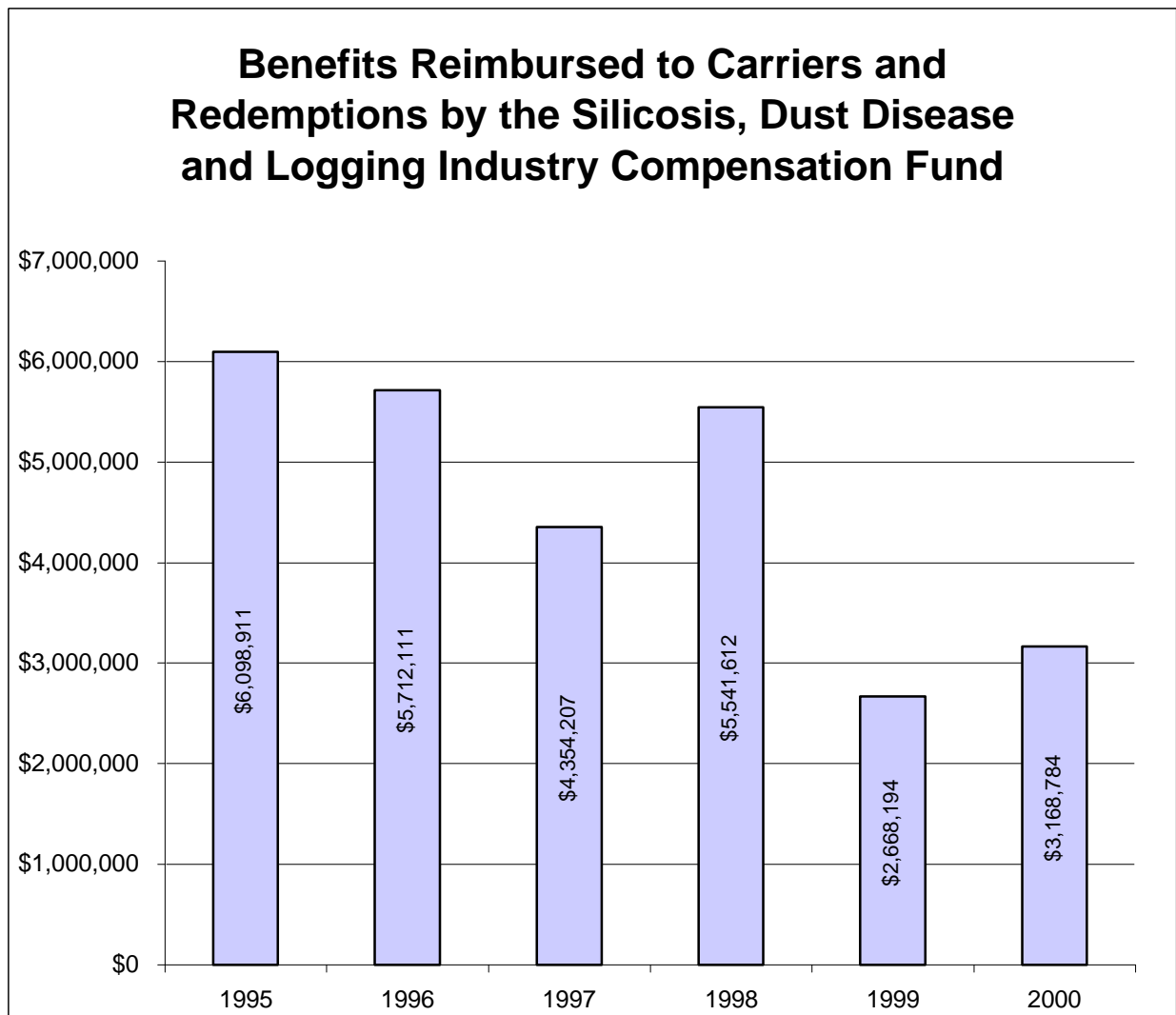
## Health Care Costs Number of Cases



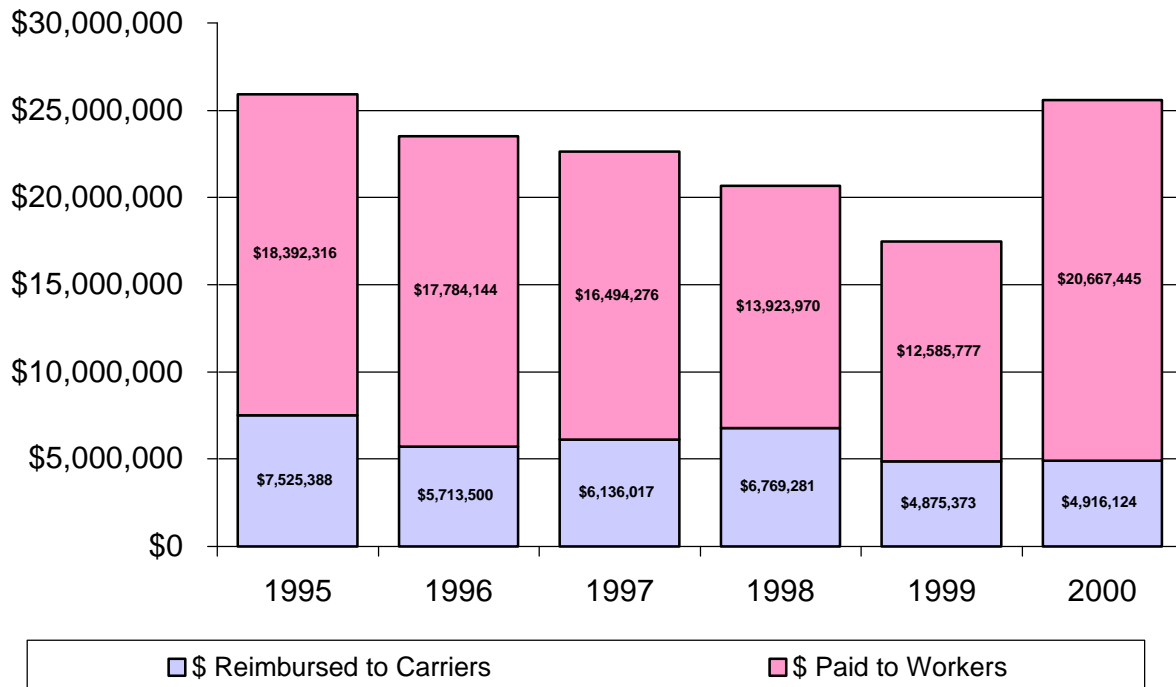


<b>BUREAU OF WORKERS' DISABILITY COMPENSATION</b>									
<b>ANNUAL HEALTH CARE COSTS 1999*-2000</b>									
<b>TYPE OF CASE</b>	<b>JAN-DEC 1999*</b>	<b>JAN-DEC 2000</b>	<b>JAN-DEC 2001</b>	<b>JAN-DEC 2002</b>	<b>JAN-DEC 2003</b>	<b>JAN-DEC 2004</b>	<b>JAN-DEC 2005</b>		
<b>Medical Only</b>									
Number of Cases	350,686	320,268							
Amount Paid	\$117,216,266	\$132,240,234							
Cost/Case	\$334	\$413							
<b>Wage Loss</b>									
Number of Cases	195,283	122,364							
Amount Paid	\$296,319,142	\$339,527,653							
Cost/Case	\$1,517	\$2,775							
<b>TOTAL</b>									
Number of Cases	545,969	442,632							
Amount Paid	\$413,535,408	\$471,767,887							
Cost/Case	\$757	\$1,066							
<b>% Of Total Cases-Med Only</b>	64%	72%							
<b>% Of Total Cases-Wage Loss</b>	36%	28%							
<b>% Of Total Cost-Med Only</b>	28%	28%							
<b>% Of Total Costs-Wage Loss</b>	72%	72%							
<b>FIGURES REPRESENT PAYMENTS MADE IN ANY GIVEN ANNUAL REPORT PERIOD</b>									
<b>(Semiannual Figures prior to 2000 available through Health Care Services Division)</b>									
*1999 Semiannual Figures Consolidated For Purposes Of Comparison To 2000 Annual Medical Payment Figures.									
Revised: 5/1/01									

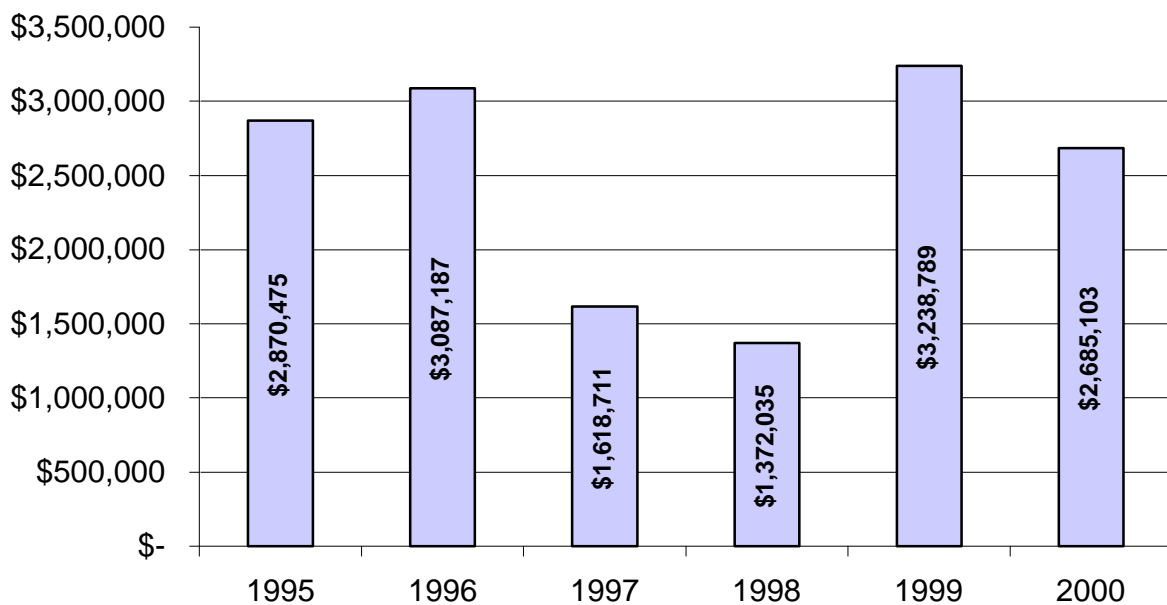
<b>Funds Administration 2000 Assessments</b>	
<b>Fund</b>	<b>2000</b>
Second Injury Fund	\$13,866,175.26
Silicosis, Dust Disease and Logging Industry Compensation Fund	\$0
Self-Insurers' Security Fund	\$1,668,846.00



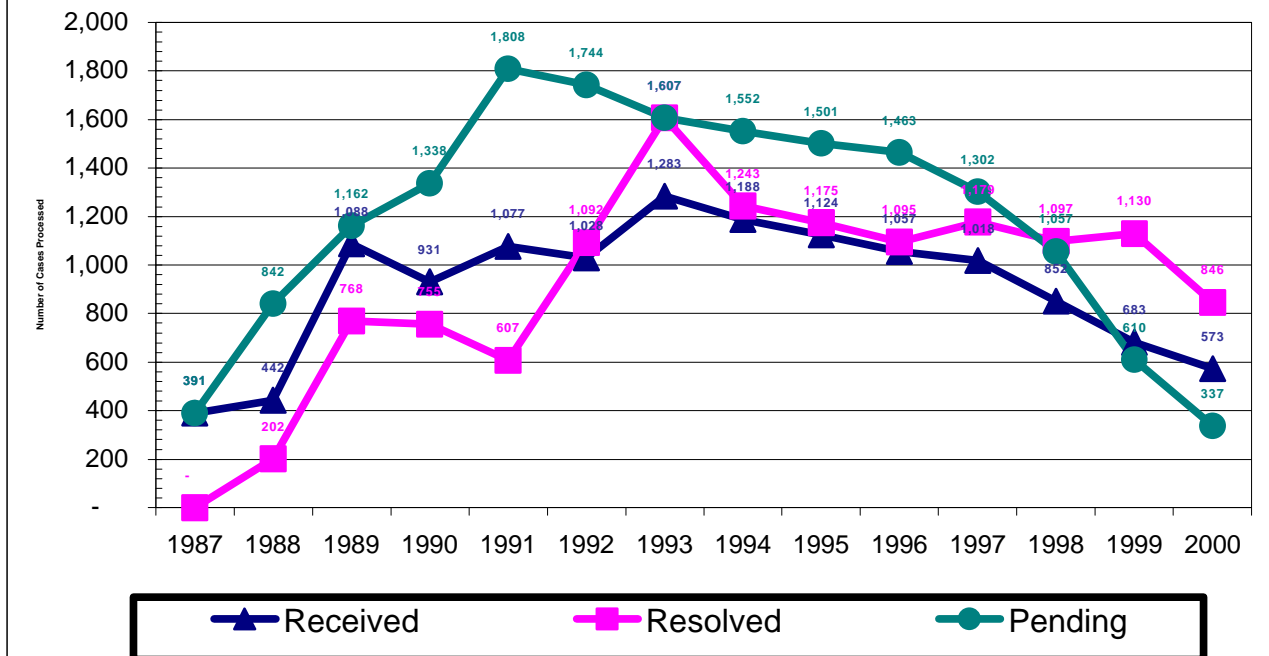
## Benefits Paid Out by Second Injury Fund



## Benefits Paid to Workers by the Self-Insurers' Security Fund



## Workers' Compensation Appellate Commission Caseload Activity



Details of Calendar Year Activity as Reflected in Line Graph Above:

	1987	1988	1989	1990	1991	1992	1993
Received	391	442	1,088	931	1,077	1,028	1,283
Resolved	-	202	768	755	607	1,092	1,607
Pending	391	842	1,162	1,338	1,808	1,744	1,607
	1994	1995	1996	1997	1998	1999	2000
Received	1,188	1,124	1,057	1,018	852	683	573
Resolved	1,243	1,175	1,095	1,179	1,097	1,130	846
Pending	1,552	1,501	1,463	1,302	1,057	610	337

\*Data redacted to reflect caseload datum not previously available.

- 1987-89: Commission began operations in October 1987 and by October 1988 there were cases pending review.
- 1990-91: Two commissioner's seats vacant November 1990 through October 1991.
- 1992: Inherited 139 case files from the Appeal Board subsequent to its sunset date (did not include cases pending at the Court of Appeals and Supreme Court).
- 1993: Claims pending reflect cases accounted for during physical case file inventory.
- 1997: One seat vacant from February 1997 through August 1997.
- 1998: Operated with a full complement of staff.
- 1999: Data edited to coincide with outcome of physical inventory taken April 15, 1999 (as compiled by Rita Horman).
- 2000: Of the 337 cases pending on December 31, 2000, less than 1/3 were ready for active review. For the past 9 years, the number of cases outgoing has been higher than the number of cases incoming.

<i><b>Publications</b></i>		
Publication	Printed Copies Available from Bureau	Information Available on Website
Workers' Disability Compensation Act	X	X
Administrative Rules	X	X
1999 Annual Report	X	X
1998 Annual Report	X	X
1997 Annual Report	X	X
1996 and Prior Year Annual Reports	X	
Overview of Workers' Compensation in Michigan	X	X
A Summary of Your Rights and Responsibilities Under		
Workers' Disability Compensation (Pamphlet)	X	X
Coverage Questions for Subcontractors, General		
Contractors, and Independent Contractors	X	X
Vocational Rehabilitation for Injured Workers (Pamphlet)	X	X
Approved Vocational Rehabilitation Facilities	X	X
Health Care Services Rules Order Form	X	X
2000 Weekly Benefit Rate Book	X	
Calculation Program	X	X
Individual Self-Insured Employer List	X	X
Self-Insured Group List	X	X
Service Company List	X	X
Workers' Compensation Appellate Commission Opinions	X	X
Michigan Workers' Compensation Forms	X	Most forms
<p>Website address: <a href="http://www.cis.state.mi.us/wrkcomp">www.cis.state.mi.us/wrkcomp</a></p>		